GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:6813
ANSWERED ON:10.05.2000
DEVELOPMENT OF FINANCIAL INTELLIGENCE INFRASTRUCTURE
TUFANI SAROJ

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether America has advised India to develop financial intelligence infrastructure;

(b) if so, the reaction of the Government thereto;

(c) whether the Government are in agreement with that report of Foreign Department of America on `International Trade of Narcotic Substances` in which it has been stated that the black money transaction has created havoc in India; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR EXTERNAL AFFAIRS

(SHRI AJIT KUMAR PANJA)

(a) & (b) Under Indo-US bilateral co-operation arrangements, the US Agency for International Development (USAID) is to provide technical assistance of US$ 25 million over four years towards a programme entitled Financial Institutes Reform and Expansion (FIRE) which is intended to strengthen Indian financial markets and regulatory agencies.There is no proposal relating specifically to financial intelligence infrastructure.

(c) & (d) The Government have seen the 1999 International Narcotics Strategy Report of the US Department of StateThe section on India states that India is meeting its responsibilities to prevent diversion of licit opium production. The report also inter alia, refers to the black or underground economy in India as being a growing concern. While doing so, the report states that India has a wide range of legislation addressing money laundering and other financial crimes.